SUPPLEMENT DATED 18 FEBRUARY 2022 TO THE OFFERING CIRCULAR DATED 1 JULY 2021

HOIST FINANCE AB (publ)

(*incorporated with limited liability in Sweden*)

€1,000,000,000
Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Offering Circular (the **Offering Circular**) dated 1 July 2021 which comprises a base prospectus for the purposes of the Prospectus Regulation constitutes a supplement to the prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the €1,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Hoist Finance AB (publ) (the **Issuer**). Terms defined in the Offering Circular have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuer.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of the Offering Circular as supplemented by this Supplement. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and this Supplement does not omit anything likely to affect the import of such information.

Purpose of the Supplement

The purpose of this Supplement is to:

1) incorporate by reference the Issuer's interim financial statements as at and for the twelve month period ended 31 December 2021;

2) update the risk factor titled "*The Group is subject to a risk of changes to, or failure to comply with, legislation and regulation relating to capital adequacy and liquidity requirements*" to reflect certain regulatory developments;

3) update the risk factor titled "*The Group is subject to tax-related risks*" to reflect certain developments in potential tax-related risks;

4) update the sections titled "*Description of the Issuer and the Group – Business overview*" and "*Description of the Issuer and the Group – Business area/segments*" to reflect certain recent developments relating to GBP savings accounts;

5) update the sections titled "*Description of the Issuer and the Group – History*" and "*Description of the Issuer and the Group – Geographic presence*" to reflect certain major acquisitions;

6) update the section titled "*Description of the Issuer and the Group – Board of directors"* to reflect recent updates to the Board of Directors;

7) update the section titled "*Description of the Issuer and the Group – Executive Management Team*" to reflect recent updates to executive management; and

8) include a new "Significant or Material Change" statement.

1. Interim Financial Statements as at and for the twelve month period ended 31 December 2021

On 8 February 2022 the Issuer published its consolidated unaudited interim financial statements as at and for the twelve month period ended 31 December 2021 (which can be viewed at 202202075775-1.pdf (alertir.com)). By virtue of this Supplement, those interim financial statements are incorporated in, and form part of, the Offering Circular.

2. Regulatory developments

The risk factor titled "*The Group is subject to a risk of changes to, or failure to comply with, legislation and regulation relating to capital adequacy and liquidity requirements*" on pages 28-30 of the Offering Circular shall be deemed deleted and replaced with the following:

"The Group is subject to capital adequacy and liquidity regulations, which aim to put in place a comprehensive and risk-sensitive legal framework to ensure enhanced risk management among financial institutions. In addition to the risk-based capital adequacy regulation, there is also regulation regarding leverage ratio (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop). Regulations which have impacted the Group and are expected to continue to impact the Group include, among others, the EU Capital Requirements Directive 2013/36/EU, as amended (**CRD**), and the EU Capital Requirements Regulation (EU) No. 575/2013, as amended (**CRR**). CRD is supported by a set of binding technical standards developed by the European Banking Authority (the **EBA**). The regulatory framework will continue to evolve, and any resulting changes could have a material impact on the Group's business.

The capital adequacy framework includes, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality: common equity tier 1 (**CET1**) capital, additional tier 1 capital and tier 2 capital. In addition to the minimum capital requirements, CRD provides for further capital requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Issuer as determined by the SFSA. The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. Due to the COVID-19 pandemic the SFSA decided, on 16 March 2020, to decrease the countercyclical buffer to 0.0 per cent from 2.5 per cent, which is the rate applicable as of the date of this Offering Circular (as supplemented from time to time). However, the SFSA decided on 29 September 2021 to raise the countercyclical buffer rate to 1.0 per cent effective from 29 September 2022.

In November 2020, the SFSA introduced changes to its application of Swedish banks' and financial institutions' (including the Issuer) capital requirements in order to adapt them to the EU's so-called "banking package". The changes pertain primarily to changes in the application of Pillar 2 requirements (**P2R**) as well as the SFSA's position relating to the implementation of Pillar 2 guidance (**P2G**) and the application of the capital buffers. In May 2021, the SFSA published further guidelines on the application of the P2G to which banks and financial institutions are subject. Through the P2G, the SFSA informs a bank which capital level it expects the bank to hold over and above the minimum requirement, the P2R and the combined buffer requirement, to cover risks and manage future financial stresses. As of the date of this Offering Circular (as supplemented from time to time), the SFSA has not yet conducted its assessment in relation to the Issuer. The size of a potential P2G buffer and its impact on the Issuer is therefore uncertain.

In addition, any changes to the assumptions the Group makes when purchasing portfolios may potentially have an impact on the value of the Group's portfolios. When the Group purchases portfolios, it makes assumptions regarding gross collections and collection costs and the net present value of expected gross collections is reflected in the balance sheet carrying value of the Group's portfolios. Should the Group experience higher collection costs than expected, for example due to lower collection efficiency or efficacy, changing laws or interpretations of applicable regulatory frameworks or changes in collection practices to more costly collection methods, such as increased use of legal systems, the profit and loss statement of the Group would be adversely affected. Should the Group experience increased credit risk on its portfolios, such that the Group recovers less than expected from its customers, causing gross cash collections on the Group's portfolios to decline, potentially significantly, these factors could consequently decrease the Group's revenue as well as lower the carrying value of the Group's portfolios as such changes could trigger revaluations. As such, the Group's result of operations would be affected accordingly which would impact the Group's equity and, in turn, the Group's capital adequacy. A market perception or actual shortage of capital could result in regulatory actions, including requirements to raise additional regulatory capital, to retain earnings or suspend dividends or the issuance of a public censure or imposition of sanctions. This may affect the Group's ability to generate a return on capital, purchase portfolios and pursue acquisitions or other strategic opportunities and may impact the Group's future growth potential. In addition, possible sanctions could include the revocation by the SFSA of the Issuer's licence as a "Credit Market Company", and the loss or suspension of such licence could impair or terminate the Group's access to deposit funding and the Group's ability to conduct business.

There is continued uncertainty with regards to the final calibration and implementation of further reforms proposed by the Basel Committee and the European Commission, and consequently the impact which these reforms may have on the Issuer's business. Any reforms which impose additional capital requirements on the Issuer generally or require the Issuer to hold increased capital against certain exposures or make certain provisions may have an impact on the growth and operations of the Issuer's business. On 26 April 2019, Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending the CRR as regards minimum loss coverage for non-performing exposures (**NPL Backstop**), entered into force requiring financial institutions, such as the Issuer, to make deductions from its CET1 capital to cover for non-performing loans (**NPLs**) on its regulatory balance sheet and effectively hold increased capital in the future for certain NPL exposures. In the aftermath of the COVID-19 pandemic, the European Commission issued an action plan intended to prevent a future build-up of NPLs. On 13 December 2021, the EBA followed up the action plan with proposed amendments to the regulatory technical standards on credit risk adjustments supplementing the CRR, relating to the calculation of risk weight of defaulted exposures. The proposed amendments change the recognition for Article 127(1) of the CRR of credit risk adjustments to account for the transaction price upon a sale of an NPL. The amount used to determine the appropriate risk weight will thus be outlined so that the purchase of an asset with a discount equal to the credit risk adjustments assigned to the exposure by the seller does not change its risk weight. In the first quarter of 2021, the Issuer completed its first unrated Italian securitisation transaction under a securitisation programme partnership agreement with an external investor. The securitisation programme is structured with a view to achieving significant risk transfer in accordance with Article 244 of the CRR by establishing a structure whereby the assets subject to the NPL Backstop are acquired by consolidated special purpose vehicles and funded through the issuance of tranches of notes where the subordinated notes are placed with external investors. In 2019, the Issuer completed a stand-alone Italian rated securitisation transaction, also structured with a view to achieving significant risk transfer in accordance with Article 244 of the CRR. However, there is a risk that the establishment of the securitisation structure or any other holding structures will not be successful or effectively address the adverse effect of the NPL Backstop.

The Group's business, as well as external conditions, is constantly evolving. As a result, and to ensure compliance with the changing regulatory landscape, the Group may need to increase its own funds in the future, by reducing its lending or investment in other operations or raising additional capital. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. Further, regulatory changes could result in the Issuer's existing regulatory capital ceasing to count either at the same level as present or at all, in changes to the current risk weights to the Group's assets or in the Group being restricted from holding assets such as non-performing debt portfolios. If any entity of the Group is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain businesses as a result of, for example, the initiatives to strengthen the regulation of credit institutions, this would materially adversely affect the Issuer's and/or the Group's results of operations and financial condition, all of which may adversely affect the Group's abilities to raise additional capital.

Serious or systematic deviations by the Group from the above regulations would most likely lead to the SFSA determining that the Group's business does not satisfy the statutory soundness requirement for credit institutions and thus result in the SFSA imposing sanctions on the Group. Further, any increase in the capital and liquidity requirements could have a negative effect on the Group's liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise funding on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase)."

3. Tax-related risks

The risk factor titled "*The Group is subject to tax-related risks*" on page 34 of the Offering Circular shall be deemed deleted and replaced with the following:

"The Group conducts operations in multiple European countries and is thus subject to taxation and tax laws and regulations in several jurisdictions. The Group has implemented cross-border arrangements within the Group, for example regarding allocation of certain functions such as preparation and analysis of investment decisions, purchase of debt portfolios and collection activities relating to debt portfolios between companies in the Group, which expose the Group to tax risks relating to among other things transfer pricing. The Group has also adopted, and regularly updates, Group transfer pricing policies setting out the framework for how the Group prices activities carried out within the Group. The Group has identified potential tax exposures in various jurisdictions in which the Group operates relating primarily to VAT, transfer pricing, permanent establishment and corporate income tax. Certain identified exposures concern significant amounts individually and the aggregate amount of the risks combined is material.

The Group is exposed to potential tax risk resulting from the varying applications and interpretations of tax laws, treaties, regulations and guidance, including in relation to corporate income tax, VAT and the other identified exposures. There is a risk that relevant tax authorities in the jurisdictions in which the Group operates may disagree with, and subsequently challenge, the Group's positions. As an example, in July 2021 following developments in an ongoing tax audit, the Group announced that it had reviewed its total provisions for tax risks. This resulted in additional provisions, which had a net effect of the tax risk provision totalling SEK -97 million during the second quarter of 2021. Accordingly, should the Group be subject to adverse tax decisions relating to either identified or unidentified potential tax exposures, this could change the Group's actual tax exposure, both on a Group and individual country basis, and result in significantly increased tax liabilities, including accrued interest and penalties, which would have a material adverse effect on the Group's business, results of operations and financial position.

There is also a risk that the Group's tax status may be changed as a consequence of amended laws, tax treaties or other provisions. For example, tax structuring within international groups has increasingly become a corporate social responsibility issue and following the rapid development and implementation of the Base Erosion and Profit Shifting (**BEPS**) Action Plan, launched by the Organisation for Economic Co-operation and Development (OECD) and supported by the EU, the BEPS may lead to a stricter interpretation of various tax rules and concepts as well as increased global tax coordination among jurisdictions. In the financial year 2020, the Group's tax expenses totalled SEK 41 million, which translates into an effective tax rate of 50 per cent. There is a risk that amended laws, tax treaties or other provisions, which may apply retroactively, will lead to increased tax expenses and a high effective tax rate for the Group, which would negatively affect its results of operations."

4. GBP savings accounts

4.1 The section under the heading "Business overview" on page 141 of the Offering Circular shall be deemed deleted and replaced with the following:

"Hoist Finance specialises in purchasing unsecured NPLs, originated by international banks and other financial institutions. Hoist Finance has operations in 13 countries across Europe including its registered office and headquarters in Stockholm, Sweden. Hoist Finance has in the past also selectively purchased overdue debt from utilities, telecommunications companies and other consumer companies and is, in certain markets, purchasing performing and secured loans. After purchasing a portfolio, Hoist Finance collects payments from the customers primarily by agreeing to sustainable payment plans. The collections in relation to the Group's purchased portfolios are largely managed through the Group's 12 in-house collection platforms across Europe, which are complemented, where appropriate, by carefully selected local external debt servicing partners.

In addition to debt purchasing, Hoist Finance also provides, to a limited extent, debt servicing to collect overdue debt on behalf of third parties in selected European markets. Hoist Finance engineers and implements tailored debt collection strategies and solutions to maximise cash flow streams from overdue debt for clients who have decided to outsource their debt collection function.

As a Swedish Credit Market Company, the Issuer is able to offer corporate and retail deposits to the general public that are fully covered by the Swedish state-provided deposit guarantee scheme, which currently guarantees an amount of SEK 1,050,000 for each depositor. The Issuer has operated a traditional internet-based retail deposit product in Sweden since 2009 under the HoistSpar brand. In 2017, Hoist Finance launched EUR savings accounts in Germany and, since June 2021, Hoist Finance offers GBP savings accounts available to UK customers through one of the largest deposit savings platforms in Europe. This provides the Group with a cost-efficient, flexible and reliable source of funding that is largely used to fund portfolio purchases."

4.2 The section under the sub-heading "*Savings products*" on pages 145-146 of the Offering Circular, under the heading "Business areas/segments", shall be deemed deleted and replaced with the following:

"The Issuer is regulated and supervised by the SFSA as a Credit Market Company. As such, the Issuer has the ability to accept corporate and retail deposits from the general public that are covered by the Swedish state-provided deposit guarantee scheme. This scheme guarantees an amount of SEK 1,050,000 for each depositor should a guarantee-covered provider of deposits enter into bankruptcy or should the SFSA otherwise decide that the guarantee should become effective. The Issuer uses deposits to fund a significant portion of the Group's debt portfolios. The Issuer's deposit-taking scheme allows the Issuer to secure funding at comparatively low costs and gives the Issuer access to a substantial source of liquidity. This solid liquidity position has been essential in enabling Hoist Finance's high levels of portfolio purchases in recent years.

The Issuer's online deposit platform in Sweden, HoistSpar, is offered to private individuals and companies. HoistSpar was established in 2009 (term deposits launched in late 2012). The Issuer's depositor base in Sweden consisted as of 31 December 2020 of 41,027 customers with a total deposit balance of SEK 10.6 billion. Term deposits can be withdrawn immediately upon payment of a withdrawal fee.

The Issuer also offers savings accounts in Germany, through one of the largest deposit savings platforms in Europe. The Issuer's depositor base in Germany consisted as of 31 December 2020 of 38,242 customers with a total deposit base of EUR 682 million, corresponding to a book value of SEK 7.4 billion.

Since June 2021, the Issuer offers GBP savings accounts available to UK customers through one of the largest deposit savings platforms in Europe.

Historically, the availability of funding under the Issuer's deposits has been very stable with limited outflow and inflow, primarily driven by the interest rates the Issuer offers, which may be adjusted in accordance with the Issuer's liquidity needs. The main objective of the deposit schemes is to facilitate a low-volatility (with regards to nominal amounts) and cost-effective funding source, while being a well-perceived provider of savings products."

5. Major acquisitions

5.1 The second row, titled "2021", in the table on page 143 of the Offering Circular, under the heading "History", shall be deemed deleted and replaced with the following:

2021	**Hoist Finance concluded a securitisation programme partnership agreement with an external investor and completed the inaugural transaction under that securitisation programme.** **Hoist Finance announced a SEK 350 million negative impairment reflecting the prolonged nature of the COVID-19 pandemic and increased uncertainty around the expected recovery.** **Introduction of GBP savings accounts available to UK customers.** **Hoist Finance entered into an agreement with Alpha Bank to acquire a Greek debt portfolio. The total outstanding balance is approximately EUR 2,1 billion and the total investment is EUR 108 million.**

5.2 The section under the sub-heading "*Greece*" on page 152 of the Offering Circular, under the heading "Geographic presence", shall be deemed deleted and replaced with the following:

"In 2016 Hoist Finance entered into a strategic partnership as part of a consortium, consisting of Hoist Finance, Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A., selected via a tender process initiated by the Bank of Greece, to manage an aggregated NPL portfolio of 16 Greek banks and financial institutions under liquidation and to drive the reorganisation and optimisation of the underlying entities. Total assets of the NPL portfolio amount to approximately EUR 9 billion and cover all major asset classes. In November 2018 Hoist Finance concluded its first transaction in the Greek market through the acquisition of a EUR 74 million portfolio of non-performing, unsecured consumer and small business loans from Greek Alpha Bank.

In addition, Hoist Finance has established a wholly owned local subsidiary, Hoist Hellas S.A., licensed as a credit servicing firm by the Bank of Greece.

During the financial year ending 31 December 2020, the Group had an average of 6 full-time employees in Greece.

In 2021, Hoist Finance entered into an agreement with Alpha Bank to acquire a Greek portfolio of NPLs, compromising unsecured consumer loans and a minor part small enterprise loans and secured loans. The total outstanding balance is approximately EUR 2,1 billion and the total investment is EUR 108 million. The transaction is expected to close during the first quarter of 2022."

6. Board of Directors

The section under the heading "Board of directors" on pages 154-156 of the Offering Circular shall be deemed deleted and replaced with the following:

"Following an Extra General Meeting of the Issuer's shareholders held on 17 February 2022, the Board of Directors consists of six members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each Board member.

Name	**Position**	**Board member since**
Lars Wollung	**Chair**	**2022**

Bengt Edholm	**Member**	**2022**
Christopher Rees	**Member**	**2022**
Camilla Philipson Watz	**Member**	**2022**
Rickard Westlund	**Member**	**2022**
Peter Zonabend	**Member**	**2021**

Lars Wollung

Born 1961. Chair of the Board and Board member since 2022.

Principal education: Civil engineer, KTH Royal Institute of Technology and Master of Science in Economics, Stockholm School of Economics.

Other on-going principal assignments: Senior advisor to EQT, chairman of the board of RaySearch Laboratories and Dignisia and board member of Bluestep Bank.

Bengt Edholm

Born 1956. Board member since 2022.

Principal education: Master of Science in Economics, Uppsala University.

Other on-going principal assignments: Board member and chairman of the risk and compliance committee of Collector.

Christopher Rees

Born 1972. Board member since 2022.

Principal education: Master of Science in Finance and Accounting, London School of Economics.

Other on-going principal assignments: Board member of Econnext and Seerave and strategic advisor to Cogniteam.

Camilla Philipson Watz

Born 1975. Board member since 2022.

Principal education: Master of Laws, Stockholm University.

Other on-going principal assignments: Chief Legal Officer of Borgo.

Rickard Westlund

Born 1966. Board member since 2022.

Principal education: Master of Science in Economics, Örebro University.

Other on-going principal assignments: Chief Executive Officer of Ropo Capital.

Peter Zonabend

Born 1980. Board member since 2021.

Principal education: Master of Laws and Bachelor of Science in Business, General Business Administration and Economics, Stockholm University and European Master in Law and Economics Programme, Aix-Marseille III, Aix-en-Provence.

Other on-going principal assignments: Chief Executive Officer of Arwidsro Fastighets AB and member of the board of directors of Oasmia Pharmaceutical."

7. Executive Management Team

The section under the heading "Executive Management Team" on pages 157-159 of the Offering Circular shall be deemed deleted and replaced with the following:

"The Executive Management Team of the Group consist of a team of eight persons.

Per Anders Fasth

Acting Chief Executive Officer

Born 1960. Hoist Finance employee since 2021.

Principal education: Master of Science, Stockholm School of Economics.

Other on-going principal assignments: Chairman of the board of directors of Lyra Financial Wealth AB and FundedByMe Crowdfunding Sweden AB (publ), and member of the board of directors of the Issuer and Atle Investment Services AB.

Fabien Klecha

Chief Investment Officer

Born 1984. Hoist Finance employee since 2012.

Principal education: Bachelor Degree in Business Administration, Università Commerciale L. Bocconi (Italy). Master Degree in Management, HEC Paris (France).

Other on-going principal assignments: Not applicable.

Christian Wallentin

Chief Financial Officer

Born 1975. Hoist Finance employee since 2021.

Principal education: MSc Economics and Business Administration, Stockholm School of Economics, CEMS Master, International Management, ESADE.

Other on-going principal assignments: Not applicable.

Melanie Foster

Chief of Staff

Born 1975. Hoist Finance employee since 2012.

Principal education: Bachelor of Science, The University of Glasgow.

Other on-going principal assignments: Not applicable.

Julian Winfield

Country Manager UK

Born 1970. Hoist Finance employee since 2014.

Principal education: Fellow Member of the Association of Chartered Certified Accountants (FCCA), Master of Business Administration (MBA), Manchester Business School.

Other on-going principal assignments: Not applicable.

Jelle Dekkers

Chief Operations Officer

Born 1981. Hoist Finance employee since 2017.

Principal education: Bachelor in Business Administration at Avans Hogeschool, s'-Hertogenbosch, The Netherlands.

Other on-going principal assignments: Hoist Finance Country Manager, BeNeLux.

Clemente Reale

Country Manger Italy

Born 1959. Hoist Finance employee since 2014.

Principal education: Economics at University of Fribourg, Switzerland.

Other on-going principal assignments: Not applicable.

Ulf Eggefors

Chief People Officer

Born 1961. Hoist Finance employee since 2017.

Principal education: Bachelor in Business Administration at University of Stockholm, Sweden.

Other on-going principal assignments: Not applicable."

8. General Information

The paragraph under the heading "Significant or Material Change" on page 170 of the Offering Circular shall be deemed deleted and replaced with the following paragraph:

“There has been no significant change in the financial performance or financial position of the Issuer since 31 December 2021 and there has been no material adverse change in the prospects of the Issuer since 31 December 2020.”

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.